

## **ARMAN FINANCIAL SERVICES announces it's foray in the field of MICROFINANCING to empower the less privileged Urban Population of Gujarat.**

19th January, 2009, Ahmedabad: With an objective to provide micro finance services such as credit, savings and insurance to low income individuals of Urban households in Ahmedabad and also to assist them with loans of two wheeler and three wheelers for income generating activities, Public Limited Listed Company ARMAN FINANCIAL SERVICES LIMITED which has been established since 1992, today announced their foray in the field of Micro financing services to empower poor Entrepreneurs of Urban Population of Gujarat. The company which has main objectives of providing a wide spectrum of financial services in form of Fund based activities which includes term loans, collateral free credit, and other forms of credits, has rich experience in two and three wheeler segment with all it's clientele based in Ahmedabad. The company has a database of 20,000 clients with proven credit worthiness which is advantageous for a personal loan or a repeat vehicle loan. The company has been rated 3 different times by noted rating agency called M-Cril and the last rating received by the company in April in 2008 is "ALFA" which is an investment grade. ARMAN now plans to render financial services to those people who majority part has no banking facility by acting as intermediary for banks and financial institutions in the cities, towns, and villages of Gujarat.

"ARMAN plans to first empower the less privileged Urban Population of Ahmedabad and will set up branches for disbursement, collection and monitoring of microfinance loans. Also our Decision making, accounting and MIS will be decentralized for achieving faster expansion." shared, Shri Jayendra B. Patel, Vice Chairman and Managing Director of ARMAN FINANCIAL SERVICES LIMITED.

The Microfinance Sector in India has been perceived by policy makers, particularly the RESERVE BANK OF INDIA as a useful channel for expanding access to various financial services for low income persons and those in the informal sector. Today the Indian Microfinance sector has an outreach potential of 36.8 million borrowers including more than 3.5 Million urban residents, which is less than 50% of the estimated potential. Microfinance Institutes (MFI's) had close to 11 million customers and a cumulative outstanding portfolio of Rs. 8,000 Crores as on 31st March, 2008. The efficiency and profitability indicators of Indian MFI's are highly favourable compared to Asian Benchmarks and such investments are expected to accelerate. In India Microfinance is gaining momentum since 1990's and there is a perception that this sector is capable of providing extraordinary returns. Despite this spectacular growth, the supply of Microfinance is still miniscule compared to the demand which is now estimated to be to the tune of over Rs. 500,000 Crores in India. To make matters worse whatever, supply is available is highly skewed in favour of South and to some extent eastern part of India. And Microfinance service providers in Western States including Gujarat are very limited. That is where we want to make a difference in Gujarat.

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